

County Budget Form Instruction Manual

This Manual is provided to assist Nebraska counties in preparing/ completing their Budget Forms in compliance with State Statutes. The information contained within is intended to be consistent with relevant State Statutes.

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Submit Budget – E-Mail PDF File to: apa.audits@nebraska.gov

Website: <http://www.auditors.nebraska.gov>

Submit Your Budget Online: From website choose “[SUBMIT your Audit or Budget](#)” from left side.



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Checklist of Items to be Completed and Submitted

The complete budget document is due by **SEPTEMBER 20th**, it should include the following:

1. **Page 1 (Cover Page):**
 - ☐ Total Personal and Real Property Tax Required agrees to amount on bottom of each fund page which has a request for Total Property Tax Requirement.
 - ☐ Outstanding Bonded Indebtedness Section was completed. *(If Applicable)*
 - ☐ The Clerk or Board Member has **signed** page 1 where indicated.
 - ☐ Date of notification to the public is completed.
 - ☐ Total Certified Valuation was completed.
2. **Page A-1 (Budget Message):**
 - ☐ Budget message has been completed. The budget message **includes** a list of all **Petty Cash amounts** being held by officials.
3. **Page A-2 (Resolution of Adoption):**
 - ☐ Resolution adopting budget was approved by County Board.
4. **Page A-3 (Summary of All Funds):**
 - ☐ Net Fund Balance amount agrees to previous column Balance Forward/Cash Reserve amount.
 - ☐ Total Disbursements and Transfers amount agrees to Schedule of Budgeted Disbursements amount.
 - ☐ Transfers IN agrees to Transfers OUT.
5. **Page A-4 (Correspondence Page):**
 - ☐ Correspondence Information is completed.
6. **LC-3 Supporting Schedule:**
 - ☐ Total Personal and Real Property Tax Requirements (1) agrees to amount on front cover, Total Property Tax Requirement.
 - ☐ Other Restricted Funds agree to amounts budgeted in the various funds.
 - ☐ Capital Improvement Lid Exceptions Line (4) agrees to last year's budget, Line (18).
 - ☐ Line (6) agrees to Line (19).
7. **LC-3 Computation Form:**
 - ☐ Line (1) and Line (2) agrees to last year's LC-3 form.
 - ☐ Line (12) is greater than or equal to zero.
8. **Schedule of Budgeted Disbursements:**
 - ☐ Total Disbursements and Transfers agrees to Total Disbursements and Transfers on Summary of All Funds.
9. **Levy Limit Form:**
 - ☐ Total Levy by District in Column (L) is 45 cents or less.
10. **Attachments:**
 - ☐ Certification of Valuation. (From County Assessor)
 - ☐ Board minutes approving Budget.
 - ☐ Resolution to subdivision giving authorization for levy authority.
 - ☐ Publisher's Affidavit of Publication for the Notice of Budget Hearing.
 - ☐ County Treasurer Summary of Uncollected Taxes.
 - ☐ Board minutes showing at least 75% Board approval for additional 1% increase in the Restricted Funds Subject to Limitation. *(If Applicable)*
 - ☐ Special election Sample Ballot and Election Results. *(If Applicable)*
 - ☐ Board minutes approving a special tax for a Public Safety Communication Project. *(If Applicable)*
 - ☐ Resolution authorizing bonds for Public Facilities Construction Projects. *(If Applicable)*
 - ☐ Report of Interlocal Agreements. Due on or before December 31st.

Overall Basic Budget Information

1. Required Filings

- Budget Document including all applicable attachments
- An audit report must be filed within 12 months after the end of the fiscal year.
- The Report of Joint Public Agency and Interlocal Agreements due on or before December 31.

2. Budget Filing Date

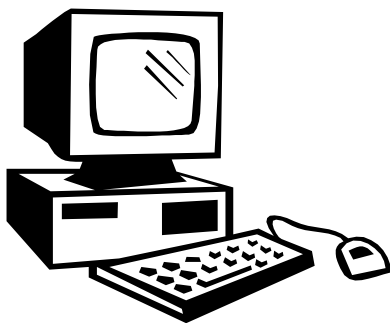
Budgets are due September 20

Budget documents must be filed with the Auditor of Public Accounts:

- **Mail** – State Capitol, Suite 2303 – Lincoln, Nebraska 68509-8917.
-or-
- **Submit Online** – From our website (www.auditors.nebraska.gov) select “[Submit your Audit or Budget](#)” from the left side. Follow the steps on the website.

When submitting the budget documents **we strongly recommend** the documents be securely stapled or clipped together. **Reminder:** Don’t forget to make a copy for your records.

3. Forms



How Do I Get My Budget Forms?

Budget forms may be downloaded and printed from the Auditor of Public Accounts website at:

www.auditors.nebraska.gov

Click on “Forms” from the “Local Government Budgets” button on the left side of the screen. Then select “2016-2017 Budget Forms.” This includes everything you need to complete your budget filing, including the Instruction Manual, Budget Document (includes budget, supporting schedules, Notice of Budget Hearing) and Excel Worksheet Version of the budget document.

Budget items are available in **Microsoft Excel** complete with formulas.

- To utilize, click on the link for the Excel version of the budget you need and save the file to your computer.

If you are not able to print or download the necessary forms, please contact us by:

Phone: (402) 471-2111, Fax: (402) 471-3301, or E-Mail: Deann.Haeffner@nebraska.gov.

4. Notice Requirements

The County is required to file both of the following notices at least **five days prior to the date of the hearing**. *State Statute 25-2221 states “the period of time within which an act is to be done in any action or proceeding shall be computed by excluding the day of the act.”*

- Notice of Budget Hearing

Overall Basic Budget Information

- State Statute Section 13-506 outlines what must be included in the Notice.
 - The budget information may be published in a summary format, but detail information must be available for public review.
 - We have provided a sample form for the Notice of Budget Hearing which includes detailed instructions.
 - Notice must be published in a newspaper of general circulation within the county's jurisdiction.
- Notice of Special Hearing to set Property Tax Request
 - Required by State Statute Section 77-1601.02
 - Notice must be published
 - Hearing may be held on the same day as the Budget Hearing, as long as notice has been given for both hearings
 - We have included a sample of a combination notice, which combines the information for the two hearings as an Excel tab in the budget document and in the Samples Packet.

You must include a copy and an affidavit of publication for all notices with the budget that is filed with the Auditor of Public Accounts.

5. If the Budget Adopted is Different than the Previously Published Budget

- Notice of the Summary of Changes must be made within twenty days after its adoption setting forth the items changed and the reasons for such changes.
 - The notice of the summary of changes must be provided in the same manner as the original notice of budget hearing (published or posted).
 - No public hearing is required as long as the summary of changes is published within twenty days.
- If a notice of the summary of changes is not provided within twenty days; the budget has not been legally adopted. The governing body must conduct another budget hearing, giving proper notice, and re-adopt its budget

6. If the Budget Contains a Clerical, Mathematical, or Accounting Error

State Statute Section 13-511 allows certain corrections to be made without having a public hearing. Section 13-511 states within thirty days after the adoption of the budget, a governing body may, or within thirty days after notification of an error by the State Auditor, a governing body shall, correct an adopted budget which contains a clerical, mathematical, or accounting error.

If the error does not affect the total amount budgeted by more than one percent, or increase the amount required from property taxes; no public hearing is required for such a correction.

7. Amending a Previously Adopted Budget

Political subdivisions have the ability to amend their previously adopted budget during the fiscal year if unanticipated circumstances arise. By law, the total budget of disbursements and transfers per the adopted or amended budget cannot be exceeded. Keep in mind it is not possible to change the amount of property taxes after the levies are finalized.

Overall Basic Budget Information

State Statute Section 13-511 specifies the requirements necessary to amend the budget. A public hearing must be held with notice given at least five days in advance. The notice must be given in the same manner as the original budget hearing (published or posted), and the notice must include the following:

- The time and place of the hearing.
- The amount in dollars of additional or reduced money required and its purpose.
- A statement setting forth the nature of the unanticipated circumstances and, if the budget is increased, why the previously adopted budget cannot be reduced during the remainder of the year.
- A copy of the summary of the originally adopted budget previously published.

A copy of the revised budget as adopted must be filed with the Auditor of Public Accounts.

County Budget Form Instructions

8. Cover Page (Page 1)

- A. Complete the name of the political subdivision and the dates of the budget period. If using Excel version, input name and dates on tab labeled “Must Complete This Page”.
- B. Complete the date the Notice of Budget Hearing was published.
- C. Complete the Personal and Real Property Tax Required section.
 - Separate the personal and real property tax amount required for payment of principal and interest on bonds and the amount required for all other purposes as required by State Statute Section 13-508. The counties must still report property tax asking by fund.
- D. Complete the Outstanding Bonded Indebtedness section as of the **beginning of the fiscal year**.
 - Complete **only** if bonds have been issued.
 - Input the dollar amount your political subdivision still owes for principal and interest payments.
- E. The Clerk/Board Member of the governing body **must** sign where indicated.

9. Budget Message (Page A-1)

The County Budget Act (State Statute Section 23-904) requires a budget message to be completed by the budget making authority outlining the fiscal policy for the budget period. The budget message **must include** a list of all **Petty Cash amounts** being held by officials.

10. Resolution of Adoption and Appropriations (Page A-2)

This page is a sample resolution for the adoption of the county budget.

11. Summary of All Funds (Page A-3)

This page is required by State Statute Section 13-504. Total information for all funds and present the information on page A-3.

12. Correspondence Information (Page A-4)

- **E-Mail Addresses** – The Auditor of Public Accounts communicates with political subdivisions by e-mail whenever possible. Please provide an e-mail address whenever available.
- **Board Chairperson** – Include name and address of the Board Chairperson of the governing board. If no e-mail address is included for the Board Chairperson, notification will be mailed via the USPS.
- **Preparer** – Include the name, phone number, and e-mail address of the individual who prepared the budget document.
- **Who To Contact with Questions** – Please indicate whether questions regarding the Budget Document and/or Audit Waiver should be directed to the Board Chairperson, Preparer, or Other Contact.

County Budget Form Instructions

- **Other Contact** – If you would like to have someone other than the Board Chairperson or Preparer contacted with questions regarding the Budget Document and/or Audit Waiver complete the “Other Contact” area.
- **Changes in Contact Information** – If there is a change in any of the Correspondence Information or you obtain a new e-mail address after submitting your budget form, please contact our office so we can maintain the most current information.

13. Fund Pages (Sections B and C)

Depending on the computer system used by the County, these pages may be obtainable as a printout from the system. Printouts are acceptable if all information required on the prescribed forms are included.

Section B is the receipts and disbursements pages for the General Fund. The disbursements for the General Fund should be reported by function such as County Treasurer, County Clerk, etc. We have formatted the General Fund to include common receipt and disbursement code numbers. We have also included common functions used within the General Fund. Your county will need to format the General Fund to meet your needs. There are additional blank function pages to be used for your specific situation. There are also blank lines for additional receipts and disbursements. You only need to file the forms that are completed. For example, if your county does not use the Noxious Weed Function within the General Fund, you do not need to file those pages.

Section C is the receipts and disbursements pages for the other funds. We have included pages for the most commonly used funds along with common receipt and disbursement code numbers. There are additional blank fund pages to be used for additional funds. Your county will need to format the fund pages to meet your specific situation. You only need to file the fund pages that are completed.

Columns

- **Column 1** – The information listed in Column 1 should be actual disbursements and receipts for the immediate preceding fiscal year. This information is required by State Statute.
- **Column 2** – The information listed in Column 2 should be actual disbursements and receipts for the current year. This information is required by State Statute.
- **Column 3** – The information listed in Column 3 should be the Official's Estimation of receipts and disbursements for the immediately ensuing fiscal year.
- **Column 4** – The information listed in Column 4 should be the Board proposed budget of disbursements and receipts for the immediately ensuing fiscal year.
- **Column 5** – The information listed in Column 5 should be the adopted budget of disbursements and receipts for the immediately ensuing fiscal year. If the adopted budget is the same as the proposed budget, it is acceptable to indicate “same” in Column 5.

County Budget Form Instructions

Disbursements and Transfers Section

It will be necessary to split disbursements into categories of Operating, Capital Outlay, Debt Service, and Transfers Out to facilitate completion of the Fund Summary on Page A-3. Operating Disbursements should include Personal Services, Operating Expenses, Supplies and Materials, and Equipment Rentals. Use of additional sub-categories within each of these categories is recommended in order to provide sufficient detail as to the nature of the disbursement.

Total Disbursements & Transfers/Total Budget of Disbursements & Transfers - This item is the total of all disbursements and transfers. For the budget columns, this also is the amount legally available to be spent by the county during the fiscal year upon adoption of the budget.

Necessary Cash Reserve - By law, you are entitled to a cash reserve not to exceed fifty percent of the Total Budget of Disbursements and Transfers less capital outlay for each fund. For example, if you have a total budget of disbursements and transfers of \$20,000; and \$4,000 of that was for capital outlay, the maximum Necessary Cash Reserve is \$8,000 $((\$20,000 - \$4,000) \times 50\%)$. Cash reserves are an extremely important element of budgeting and provide a stable flow of cash during your fiscal year. The necessary cash reserve limit does not apply to Special Reserve Funds.

Special Reserve Fund - Special Reserve Fund shall mean any special fund set aside by the county for a particular purpose and not available for disbursement for any other purpose. Funds created for (a) the retirement of bonded indebtedness, (b) voter-approved sinking funds, or (c) statutorily authorized sinking funds shall be considered special reserve funds.

Total Requirements - Total requirements is the sum of Total Disbursements & Transfers/Total Budget of Disbursements & Transfers and Necessary Cash Reserve. To present a balanced budget this amount must agree to Total Resources Available in the beginning balances, receipts, and transfers section. YOU MUST PRESENT A BALANCED BUDGET.

Beginning Balances, Receipts & Transfers Section

It will be necessary to split receipts into categories of Intergovernmental Federal, Intergovernmental State, Intergovernmental Local, and Transfers In to facilitate completion of the Fund Summary on Page A-3. Use of additional sub-categories within each of these categories is recommended in order to provide sufficient detail as to the nature of the receipt.

Net Fund Balance - The total of the net cash balance, investments balance, and county treasurer's balance at the beginning of the year. This amount must agree to the balance forward from the prior year.

Personal and Real Property Taxes - Record personal and real property taxes received (in Columns 1 & 2) or required (Columns 3, 4, & 5). The personal and real property taxes required shown in the beginning balances, receipts and transfers section of the budget should not include the delinquent tax allowance. This is accounted for in the personal and real property tax recap section.

County Budget Form Instructions

Total Resources Available - Sum of Net Fund Balance, Receipts, Transfers and Personal and Real Property Taxes. To present a balanced budget this amount must agree to Total Requirements in the disbursements and transfers section. YOU MUST PRESENT A BALANCED BUDGET.

Disbursements & Transfers - Bring forward the disbursements and transfers total from the disbursements and transfers section in Columns 1 and 2 only.

Balance Forward - Difference between Total Resources Available and Disbursements and Transfers. This amount must agree to the Subtotal of beginning balances for the subsequent year.

Personal and Real Property Tax Recap

Line 1 - Bring forward the personal and real property tax amount shown in the beginning balances, receipts, and transfers section of the budget.

Line 2 - Allows you to budget for delinquent taxes. There will always be some taxes that are not paid in full. To maintain proper flow of personal and real property tax dollars so, as nearly as possible, 100% of the fiscal year tax levy is collected for the period in which needed, you are authorized to include a delinquent tax allowance. The delinquent tax allowance may not exceed 5% of personal and real property tax requested plus the actual percentage of prior year delinquency. If you apply a percentage greater than 5%, you must provide supporting documentation of the actual delinquency rate.

Line 3 - Allows you to budget for an estimated tax loss from litigation. See State Statute Section 13-508.

Line 4 - The total personal and real property tax required (sum of Lines 1, 2, and 3). ***This is the amount that should be brought forward to the personal and real property tax request on Page 1, and on the LC-3 Supporting Schedule to be used for lid purposes.***

14. LC-3 Supporting Schedule

The budget limitations have been incorporated into State Statute Sections 13-518 through 13-522. The LC-3 Supporting Schedule is used to calculate restricted funds applicable to the lid limitation.

Restricted Funds

- As the limitation is on “budgeted” restricted funds, you need to compare the current budgeted amount to the prior year actual amount when budgeting these receipts.
- State Statute Section 13-518 defines restricted funds as:
 - Property Tax – Includes Real Estate and Personal Property
 - Payments In Lieu of Property Tax
 - Local Option Sales Tax
 - Motor Vehicle Tax

County Budget Form Instructions

- State Aid:
 - ☐ Pro-Rate Motor Vehicle (60-3,202).
 - ☐ Homestead Exemption (77-3523). *Note: Homestead Exemption should not be budgeted as a separate line item. It is included within Property Tax.*
 - ☐ Highway Allocation and Incentive Payments (39-2501 through 39-2520).
 - ☐ Motor Vehicle Fee (60-3,184 through 60-3,190).
 - ☐ License or Occupation Tax (77-27,223 through 77-27-227).
 - ☐ Insurance premium tax.
 - ☐ Indigent Defense Services (29-3933).
 - Surplus Fees
 - ☐ The transfer of a user fee, permit fee or regulatory fee which is used to fund a service or function not directly related to the earning of that fee. *Surplus Fees can be used for other functions without being transferred to another fund.*
 - Prior Year Budgeted Capital Improvements that was used as a lid exception on the LC-3 Supporting Schedule, but was not spent or is not expected to be spent for capital improvements.
- All amounts should agree to the amounts budgeted to receive.

Lid Exceptions

If budgeted to be paid for with restricted funds the following items are lid exceptions:

- a. Capital Improvements - Defined as follows:
 - i. Acquisition of real property.
 - ii. Improvements on real property.
- b. Retirement of Bonded Debt
- c. Interlocal Agreement(s)/Joint Public Agency Agreement(s).
- d. Repairs to infrastructure damaged by a natural disaster. The disaster must have been declared a disaster pursuant to the Emergency Management Act.
- e. Judgments. Except judgments or orders from the Commission of Industrial Relations, and only to the extent that such judgment is not covered by liability insurance.
- f. Property Tax Refunds
- g. Public Safety Project. State Statute Section 86-416 allows a county to have a special tax for a Public Safety Communication Project. The special tax has the same status as Bonded Indebtedness. Board minutes **must** be attached.
- h. Public Facilities Construction Projects. State Statute Sections 72-2301 through 72-2308 allows bonds to be issued to finance Public Facilities Construction Projects. Resolution must be attached. Review the statutes to determine if applicable for your type of political subdivision.

When determining lid exceptions there are many factors that can only be determined by using your own judgment. For example, it may not be clear if an item is budgeted to be paid for with restricted funds or non-restricted funds. This should be discussed with the governing board if you are unsure. **Be sure to not claim lid exceptions that exceed the total amount of restricted funds.**

County Budget Form Instructions

Total Restricted Funds for Lid Computation is calculated by taking the Total Restricted Funds (A) minus the Total Lid Exceptions (B)

15. **Lid Computation Form LC-3**

The law says no governmental unit shall adopt a budget containing a total of budgeted restricted funds more than the last prior year's total of budgeted restricted funds plus allowable increases.

The current year Restricted Funds authority is calculated by carrying forward the prior year authority and applying applicable increases as follows:

- **Prior Authority**

Line (1) – Prior Restricted Funds Authority (Base Amount) is from last year's LC-3 Lid Computation Form Line (11).

Line (2) – Unused Restricted Funds Authority comes from last year's LC-3 Lid Computation Form, Line (12). **NOTE:** *If your governmental unit did not have Unused Restricted Funds Authority, enter zero on Line (2).*

Line (2.1) – State Statute Section 29-3933 allows for any year in which a county **first** seeks reimbursement, the ability to add any increased amount budgeted for Indigent Defense Services that is required to develop a plan and meet the standards necessary to qualify for reimbursement of expenses. The statute also allows a county that has previously qualified and is seeking additional reimbursement for improving the indigent criminal database defense program, the ability to increase the Base Amount.

Line (2.2) – State Statute Section 13-519 (License or Occupation Tax) allows for the second fiscal year in which a county will receive a full year of receipts, the county can add the first year of receipts to the Base Amount.

Line (3) – The prior Restricted Funds Authority (Base Amount) is equal to Line (1) plus Line (2) plus Line (2.1) plus Line (2.2) plus Line (2.3).

- **Allowable Increases**

Base Limitation - All political subdivisions have the ability to increase their base of restricted funds by 2.5%.

- Allowable Growth – Growth per the Assessor (noted on current year Certification of Valuation) divided by the prior year's Total Valuation less 2.5%.

County Budget Form Instructions

- Additional 1% - An additional 1% increase is allowed if at least 75% of the governing body votes to approve the increase. Please note this is 75% of the authorized board, and not just 75% of those present. **If a 1% increase is approved, a copy of the resolution or board minutes documenting that at least 75% of the governing body approved the increase must be attached to the lid computation form.**
- Special Election - A governmental unit may exceed the applicable allowable growth percentage by an amount approved by a majority of legal voters on the issue at a special election. **If a special election is held, a ballot sample and election results must be attached to the lid computation form.**
- **Unused Restricted Funds Authority**

The total unused restricted funds authority is calculated on the lid computation form.

 - Must be greater than or equal to zero.
 - Must be included in the Notice of Budget Hearing.

16. **Consequences of Noncompliance with Budget Limits**

State Statute Section 13-522 states if the Auditor of Public Accounts determines from the budget documents that a governmental unit is not complying with the budget limits, the following shall occur:

- The Auditor shall notify the governing body of this determination and notify the State Treasurer of the noncompliance.
- The State Treasurer shall then suspend distribution of State aid allocated to the governmental unit until the budget has been corrected.
 - The funds will be held for six months until the governmental unit complies.
 - ☐ If the governmental unit complies within the six month period it shall receive the suspended funds.
 - ☐ After six months, the suspended funds shall be forfeited and shall be redistributed to other recipients of the State aid.

17. **Consolidating Property**

For governmental units that have consolidated, the calculations made for the consolidating units shall be made based on the combined total of restricted funds, population, or full-time equivalent students of each governmental unit.

18. **Transfer of Financial Responsibility**

If a governmental unit transfers the financial responsibility of providing a service financed in whole or in part with restricted funds to another governmental unit or the State, the amount of restricted funds associated with providing the service shall be subtracted from the last prior year's total of budgeted restricted funds for the previous provider and may be added to the last prior year's total of restricted funds for the new provider. Please provide information regarding who services were combined with.

County Budget Form Instructions

19. Schedule of Budgeted Disbursements

The Schedule of Budgeted Disbursements identifies disbursements by governmental type or business type. Functions within each type have been outlined.

The Nebraska Accounting Code Manual for Counties is a good source to help determine the breakdown by function. Chapter 6, Section A, identifies the functional classification codes. The function numbers used by the counties are classified as General Government, Public Safety, Public Works, etc. (This can be accessed on our website at www.auditors.state.ne.us, then County Information.)

The Governmental type activities are those through which most governmental functions are financed. The following functions have been outlined along with a general definition:

General Government – Those disbursements that support the ongoing tasks associated with the management and administration of that local government. *[Function Codes 600-649]*

Public Safety – Law Enforcement – Public Safety disbursements primarily relate to protecting persons and property from socially undesirable acts by persons or their products. This function would only include county law enforcement (including jail). *[Function Codes 650-689]*

Public Safety – Other – This function will include the remainder of Public Safety disbursements which would include civil defense, building inspections, etc. *[Function Codes 690-699]*

Public Works – Highways & Roads – This function relates to the performance of crews in maintaining roads and highways. *[Function Codes 700-729]*

Public Works – Other – This function is for all other Public Works disbursements which may include solid waste handling, weed control, etc. *[Function Codes 730-749]*

Public Health & Social Services – The health disbursements would relate to protecting persons from non-human related forces. The health function would include public health administration, regulation and inspection of food and drugs, disease control (including animal and pest control), mental health, etc. The social services disbursements would relate to activities designed to provide public assistance and institutional care for individuals who are economically unable to provide essential needs for themselves. *[Function Codes 750-849]*

Culture and Recreation – The disbursements relate to leisure time activities. The activities may include participant recreation (golf, swimming, etc.), spectator recreation (museums, etc.), parks, senior programs, and libraries. *[Function Codes 850-879]*

Community Development – The disbursements relate to community development. *[Function Codes 910 and 920]*

Miscellaneous – The disbursements that cannot be assigned elsewhere.

The Business-type activities are to account for operations that are financed and operated in a manner similar to private business – where the intent of the governing body is that the costs of providing the goods or services be financed primarily through user charges.

County Budget Form Instructions

20. Levy Limit Form

The Constitution of the State of Nebraska states a county shall never assess taxes the aggregate of which shall exceed fifty cents except for the payment of indebtedness authorized by a vote of the people of the county.

The levy limit applicable to counties is 45 cents plus 5 cents for interlocal agreements. The county may allocate up to 15 cents to miscellaneous subdivisions. Excluded from the miscellaneous subdivisions levy limit are:

- (1) judgments, except judgments or orders from the Commission of Industrial Relations, obtained against a political subdivision which require or obligate payment to the extent such judgment is not paid by liability insurance coverage,
- (2) lease purchase contracts approved prior to July 1, 1998,
- (3) bonded indebtedness, and
- (4) payments by a public airport to retire interest-free loans from the Department of Aeronautics.

State Statute Section 86-416 allows counties, municipalities, and fire districts to levy a special tax for Public Safety Communication Projects. The special tax has the same status as Bonded Indebtedness.

State Statute Sections 72-2301 through 72-2308 allows a county to issue bonds to finance public facilities construction projects. The taxes levied are not subject to the 45 cents plus 5, but are subject to the constitution limit.

Form Instructions

The form is established to allow the county to include the miscellaneous subdivisions they are allocating levy authority to. The county will need to generate a total levy and then a levy for interlocal agreements to ensure compliance with the levy limits only include entities the county allocates levy authority to, do not include schools, municipalities, ESUs, NRDs, etc. Proceed as follows:

- **Page 1**

Column A – List entities the county allocates a tax levy which is applied to all properties in the County.

Column B – All property taxes, other than bonds, authorized by the County Board.

Column C – Property Taxes for bonds.

Column D – Valuation of the entity.

Column E – This is the calculated general operating levy.

Column F – This is the calculated bond levy.

Interlocal Agreements – This is the amount of property taxes the County or other entities have designated for interlocal agreements.

- **Page 3**

Column 1 – List out the county tax districts. (Each line may include multiple districts if the districts all have the same subdivisions under the County Levy Limit.)

Column 2 – Enter the county levy.

Columns 3-8 – Enter the levies for the subdivisions (excluding bond levies) which fall under the county levy authority. If the county established maximum levels by political subdivision, the maximum levy amount can be entered here.

Column 9 – This is the sum of the subdivision levies and the county levy. (Cannot exceed 50 cents.)

Setting the Levy

The procedures for setting levies are as follows:

- ✓ On or before August 1, all political subdivisions subject to county or municipal levy authority shall submit a preliminary request for levy allocation to the county board, city council, or village board. The preliminary request shall be in the form of a resolution. **If the political subdivision fails to make a preliminary request, they will not have the ability to override the levy allocation.**
- ✓ Each county board, city council, or village board shall adopt a resolution which determines a final allocation of levy authority and forward a copy of such resolution to the chairperson of the governing body of each of its political subdivisions. No final levy allocation shall be changed after September 1 except by agreement between the county board, city council, or village board and the governing body of the political subdivision.
- ✓ School districts, community colleges, natural resources districts, educational service units, municipalities, sanitary and improvement districts older than five years, and counties are subject to the levy limits established in State Statute 77-3442.
- ✓ A political subdivision may exceed the levy limits established or the final levy allocation determined by the county board, city council, or village board by a majority of registered voters voting in a primary, general, or special election at which the issue is placed before the registered voters. A vote to exceed the limits or final levy allocation must be approved prior to October 10. A governing body may pass no more than one resolution calling for an election during any one calendar year.
- ✓ In lieu of the election procedures, political subdivisions subject to allocation by a county or municipality and villages may approve a levy in excess of the limits or final allocation for a period of one year at a meeting of the residents. At least ten percent of the registered voters residing in the political subdivision or village shall constitute a quorum. If a majority of the registered voters present at the meeting vote in favor of exceeding the limits or final allocation, a copy of the record of that action shall be forwarded to the county board prior to October 10.

NOTE: *If a majority of the voters at a townhall meeting reject an override, the political subdivision cannot subsequently call for a public election. The number of levy override elections called by a citizen petition is limited to one per year.*
- ✓ The property tax request for the prior year will be the property tax request for the current year for purposes of the levy set by the county board of equalization unless the governing body of the sanitary and improvement district, natural resources district, educational service unit, or community college passes by a majority vote a resolution or ordinance setting the tax request at a different amount on or before October 13.
- ✓ In order to adopt a property tax request different than the prior year tax request, the political subdivision must conduct a special hearing and a notice of the special hearing must be published in a newspaper at least five days prior to the hearing. This special hearing is not the same as the hearing to adopt the budget, and it must be published, even if the notice of budget hearing was posted.

Setting the Levy

- ✓ The hearing notice must contain the following information: The dollar amount of the prior year's tax request and the property tax rate that was necessary to fund that tax request; the property tax rate that would be necessary to fund last year's tax request if applied to the current year's valuation; and the proposed dollar amount of the tax request for the current year and the property tax rate that will be necessary to fund that tax request.
- ✓ The levy process could include a vote of the people and a special hearing to change the property tax request. If the property tax request is changed (higher or lower), the sanitary and improvement district, natural resources district, educational service unit, or community college must hold a special hearing.
- ✓ The county board of equalization will levy the necessary taxes on or before October 15. The levy shall include an amount for operation of all functions of county government and shall also include all levies necessary to fund tax requests certified. The county board of equalization is responsible in determining levies because the political subdivisions are only working with tax requests.